

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1954

SPONSOR: Senator Bennett

SUBJECT: Specialty License Plates

DATE: March 25, 2003

REVISED: 04/01/03 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Davis</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/1 amendment</u>
2.	_____	_____	<u>MS</u>	_____
3.	_____	_____	<u>ATD</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a U. S. Paratroopers license plate. Former and current U.S. military paratroopers are eligible to purchase the plate. In addition to applicable motor vehicle registration taxes and fees, a \$20 annual use fee will be charged for these new specialty license plates to be deposited into the State Homes for Veterans Trust Fund.

This bill substantially amends sections 320.08056 and 320.08058 of the Florida Statutes.

II. Present Situation:

Section 320.08053, F.S., provides an organization seeking authorization to establish a specialty license plate must submit the following:

- A request for the particular license plate with a description of the proposed plate in general terms.
- The results of a scientific sample survey of Florida motor vehicle owners that indicates at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs.
- An application fee, not to exceed \$60,000, to defray DHSMV's cost for reviewing the application and developing the specialty license plate, if authorized.

- A marketing strategy outlining both the short and long term marketing plans and a financial analysis outlining the anticipated revenue and the planned expenditures of the requested specialty license plate.

The required documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Florida Legislature. If a specialty license plate is approved by law, the organization must submit a proposed art design for the specialty plate to DHSMV no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, then the application fee will be refunded to the requesting organization.

Section 320.08056, F.S., provides DHSMV is responsible for developing the specialty license plates and must begin production and distribution within one year after approval of the specialty license plate by the Legislature. Specialty license plates must bear the design required by law for the appropriate specialty plate, and the designs and colors must be approved by DHSMV. In addition, the specialty license plate must bear the imprint of numerals from 1 to 999, inclusive, capital letters “A” through “Z”, or a combination thereof. The word “Florida” must appear at either the top or the bottom of the plate, depending upon the design and may bear an appropriate slogan.

The Department of Highway Safety and Motor Vehicles is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plates pro rata share of DHSMV’s costs directly related to issuing the specialty license plate.

The Department of Highway Safety and Motor Vehicles must discontinue the issuance of an approved specialty plate if less than eight thousands plates (including annual renewals) are issued by the end of the fifth year or during any subsequent 5-year period. The Department of Highway Safety and Motor Vehicles is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists or if the organization has stopped providing services authorized to be funded.

Annual use fees or any interest earned from those fees may not be used for commercial or for-profit activities, or for general administrative expenses (except as specifically authorized or to pay the cost of the audit or report required to ensure the proceeds are used as authorized).

Section 320.08056 (4)(d), F.S., creates the Florida Salutes Veterans license plate and provides for a \$15 annual use fee. The proceeds from the use fee are deposited into the State Homes for Veterans Trust Fund and used solely for the purpose of constructing, operating, and maintaining domiciliary and nursing homes for veterans and for limited promoting and marketing of the plate. In 2002, there were 30,389 Florida Salutes Veterans license plates sold, generating \$455,835.

Section 320.08056 (4)(cc), F.S., creates the United States Marine Corp license plate and provides for a \$15 annual use fee. The first \$50,000 collected annually from the use fee are deposited into the State Homes for Veterans Trust Fund and used solely for the purpose of constructing, operating, and maintaining domiciliary and nursing homes for veterans. Any additional funds collected annually are deposited into the Marine Corps Scholarship Foundation, Inc., and used to

fund scholarships and assist Marine Corps Junior ROTC and Young Marine programs in Florida. In 2002 there were 21,207 United States Marine Corp license plates sold, generating \$318,105.

Currently, Florida has the Florida Salutes Veterans and U.S. Marine Corps license plates to acknowledge military personnel, all available to the general public. In addition, there are 8 special license plates available to qualified recipients. They are listed below:

Disabled Veterans, EX-POW, Medal of Honor (Air Force, Army, Navy, and Marines), National Guard, Paralyzed Veterans, Pearl Harbor Survivor, Purple Heart, and U.S. Reserve.

III. Effect of Proposed Changes:

The bill directs the DHSMV to issue a U. S. Paratroopers license plate. Former and U.S. military paratroopers are eligible to purchase the plate. In addition to applicable motor vehicle registration taxes and fees, a \$20 annual use fee will be charged for these new specialty license plates to be deposited into the State Homes for Veterans Trust Fund.

The bill further provides the U.S. Paratroopers license plate is not subject to the requirements of s. 320.08053, F.S., which requires a \$60,000 fee to defray DHSMV's expenses, a survey showing 15,000 people would purchase the plate, a marketing plan, and a financial analysis. DHSMV will retain all revenues from the sale of the military license plate until all start-up costs for developing and issuing the plates have been recovered.

This bill amends s. 320.08056, F.S., to provide only current or former U.S. military paratroopers to purchase this specialty plate. However, under the provisions of s. 320.08056, F.S., any owner or lessee of an eligible motor vehicle may purchase a specialty license plate. The provisions of this bill restricting who may purchase the specialty license plate conflict with the current provisions contained in s. 320.08056, F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Persons who apply for the U. S. Paratroopers license plate would have to pay \$20 for the annual use fee.

C. Government Sector Impact:

The Department estimates it will incur \$59,460 in costs associated with the development and issuance of these specialty license plates. More specifically, these costs include \$15,000 in personnel costs, \$7560 in computer programming costs and \$36,900 in license plate costs. Specialty license plates cost DHSMV \$2.46 each under the current contract. The bill provides for these costs to be recovered from the initial plate sale proceeds.

VI. Technical Deficiencies:

1. The bill provides only current and former U.S. military paratroopers may purchase this specialty plate, but the bill does not specify what documentation must be presented to the tax collector in order to prove such affiliation.
2. This bill amends the “specialty” license plate sections (ss. 320.08056 and 320.08058, F.S.) of the statutes to establish a U.S. Paratroopers license plate. However, as currently written, the bill would only allow current or former U.S. military paratroopers to purchase the plate. Under the provisions of s. 320.08056, F.S., any owner or lessee of an eligible motor vehicle may purchase a specialty license plate. If the bill is enacted as originally drafted, the restrictive provisions amended into s. 320.08058, F.S., would directly conflict with the current provisions contained in s. 320.08056, F.S. DHSMV recommends the bill be amended so the new plate is created as a “special” or “status” plate in order to avoid conflict between two sections of the statutes.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Transportation:

Corrects a technical deficiency by creating s. 320.0891, F.S., to direct DHSMV to issue a U.S. Paratroopers license plate, which is only eligible for purchase from former or current U.S. military personnel who, as part of their military duty, have been trained to jump from flying aircraft. Applicants must provide proof of decoration as a parachutist or completion of the U.S. Army Jump School. In addition to applicable motor vehicle registration taxes and fees, a \$20 annual fee will be charged for these specialty license plates to be deposited into the State Homes for Veterans Trust Fund. Creation of the new section of law corrects the direct conflict with the current provisions contained in s. 320.08056, F.S.

This amendment further, amends s. 320.089, F.S., to direct DHSMV to issue a Valor license plate. Applicants must provide a written military order or other official document as proof as being a recipient of a military decoration for valor. In addition to applicable motor vehicle

registration taxes and fees, a \$20 annual fee will be charged for this specialty license plate. The annual use fees will be deposited into the Grants and Donations Trust Fund to be used for operating and maintaining Veteran's homes.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
